

National Electric Power Regulatory Authority Islamic Republic of Pakistan

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> No. NEPRA/TRF-UTC/2013/12808-12810 September 19, 2016

Subject: Decision of the Authority regarding Cessation of Upfront Tariff on Imported/Local Coal

Dear Sir,

Please find enclosed herewith the subject Decision of the Authority (01 Page) regarding Cessation of Upfront Tariff on Imported/Local Coal.

2. The subject Decision is being intimated to the Federal Government for the purpose of notification in the Official Gazette pursuant to Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act (XL of 1997).

Enclosure: <u>As above</u>

Jun 19.09.1

(Syed Safeer Hussain)

Secretary Ministry of Water & Power, 'A' Block, Pak Secretariats Islamabad

CC: 1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad.

2. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.



DECISION OF THE AUTHORITY REGARDING CESSATION OF UPFRONT TARIFF ON IMPORTED/LOCAL COAL

- 1. The existing upfront tariff for power generation on imported/local coal was determined on 26th June 2014 which was notified vide SRO 942(1)/2014, on 15th October 2014. The existing upfront tariff was valid for a period of two years from the date of its notification in the official gazette. Accordingly the existing upfront tariff shall be valid till 14th October 2016.
- 2. As per para 56 clause IX of the upfront coal tariff, the revision in the upfront tariff for next validity period shall be undertaken at least six months prior to the end of the validity period and in case upfront tariff for the next validity period is not notified for the next validity period, the reference tariff parameters shall continue to remain applicable until notification of the revised upfront tariff.
- 3. Keeping in view the upcoming power projects on various technologies in next 2 to 6 years, the Authority has decided not to extend the existing upfront tariff beyond 14th October 2016. The Authority has further decided that in future, imported/local coal power projects, if required, shall be inducted through competitive bidding by the relevant agency under the NEPRA's Competitive Bidding Tariff (Approval Procedure) Regulation, 2014.

Authority

(Himayat Ullah Khan) Member

Ul Hasan Membeł

(Brig. (R) Tariq Saddozai) Chairman

(Maj. (R) Haroon Rashid) Member

